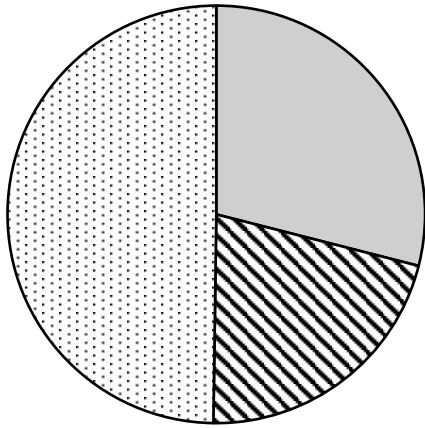


COMMUNICATIONS

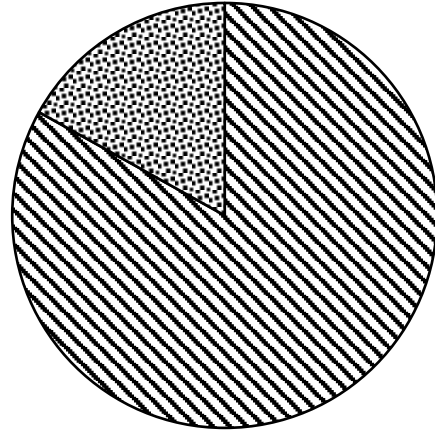
2023-2027 Capital Improvement Program

2022-2023 Proposed Source of Funds



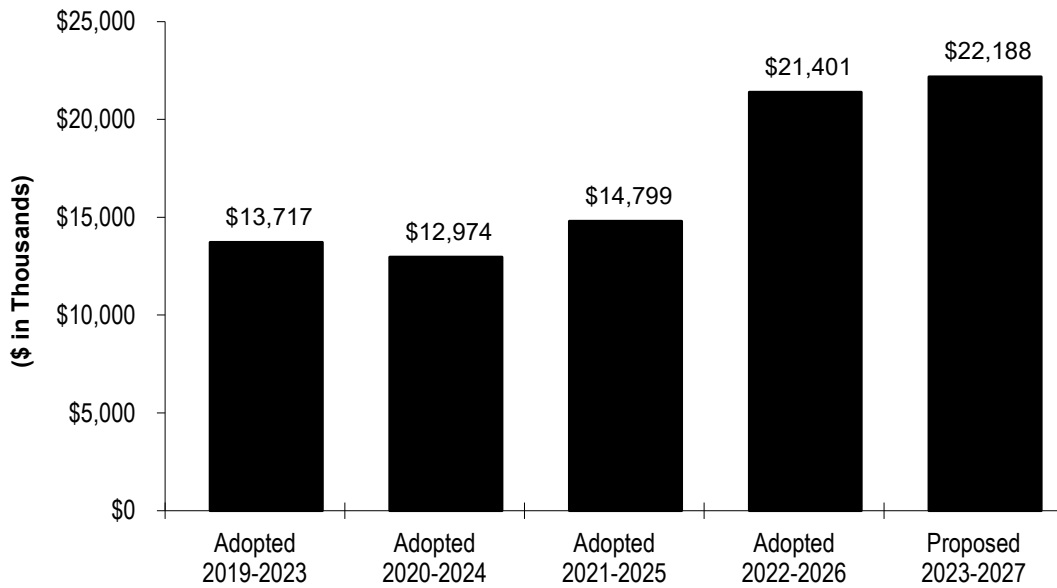
- Beginning Fund Balance
- ▣ Taxes, Fees and Charges
- ▨ Loans and Transfers

2022-2023 Proposed Use of Funds



- ▣ Non-Construction
- ▨ Ending Fund Balance

CIP History



Communications

2023-2027 Proposed Capital Improvement Program

OVERVIEW

INTRODUCTION

In October 1990, the City assumed the responsibility of providing its own emergency communications service for Police and Fire from the County of Santa Clara. The Communications Capital Improvement Program was set up to address the replacement and upgrade of both the public safety and non-public safety radio equipment. In addition, this program funds capital improvements related to communications facilities including land and interests in land, buildings, structures, radio and other equipment, and streets and sidewalks adjacent to City communication facilities.

Communications Infrastructure	
Fixed Equipment Sites	30
Base Stations	112
Additional Fixed Receivers	167
Total Legacy Subscribers	2,043
Total SVRCS Subscribers	3,310

The 2023-2027 Proposed Capital Improvement Program (CIP) provides funding of \$22.2 million of which \$8.0 million is allocated in 2022-2023. This program is part of the Strategic Support City Service Area (CSA) and supports the following outcomes from that CSA: *Safe and Functional Public Infrastructure, Facilities, and Equipment*; and *Effective Use of State-of-the-Art Technology*.

PROGRAM PRIORITIES AND OBJECTIVES

The Communications CIP's guiding objective is the provision of reliable, necessary public and non-public safety-related communications equipment for all City employees who use this equipment to perform their job duties. Based on the CSA outcomes supported by this program, the following list of priorities has been developed:

- Proactively replace public safety-related communications equipment and systems to ensure reliability and optimal performance, and compliance with rules of the Federal Communications Commission;
- Maintain existing radio equipment in a proactive manner to ensure optimal functionality and to extend the length of service;
- Strategically plan for future major upgrades and technology changes; and
- Continue to support the Silicon Valley Regional Interoperability Authority (SVRIA).

SOURCES OF FUNDING

The 2022-2023 Proposed Capital Budget estimate for Construction and Conveyance (C&C) taxes is \$50.0 million, of which 3.4% is allocated to the Communications Capital Program. Approximately 99% of this tax is derived from a transfer tax imposed upon each transfer of real property, with the remaining 1% generated from a construction tax levied on most types of construction. The 2023-2027 CIP assumes 2022-2023 C&C tax revenues of \$50.0 million, and then remains flat at \$45.0 million for each subsequent year of the CIP.

Communications

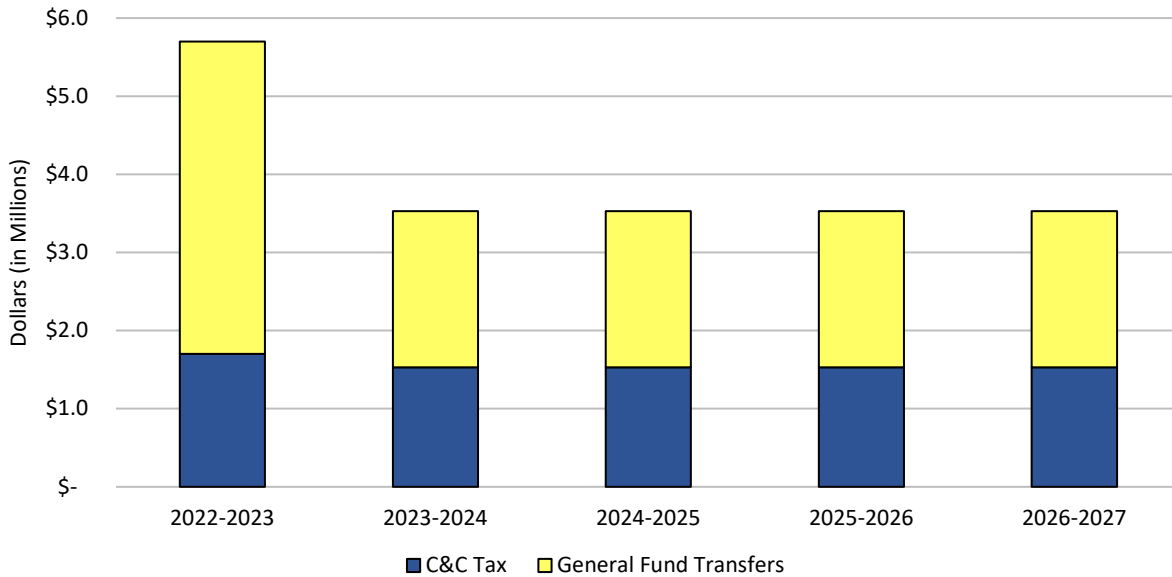
2023-2027 Proposed Capital Improvement Program

OVERVIEW

SOURCES OF FUNDING

Over the five years of the CIP, collections allocated to the Communications Capital Program will total \$7.8 million. For additional information regarding C&C tax revenue, please refer to the Construction and Conveyance Tax section of the Summary of Capital Improvement Program Revenues, which is in the Summary Information (Section III) of this CIP.

Summary of Revenues



Since the C&C tax collections are insufficient to address the program needs, funding of \$12.0 million from General Fund Transfers is programmed over the 5-year CIP for Communications projects. The General Fund transfers primarily fund contributions to the SVRIA annual maintenance contract; a position in the Police Department for administration of the maintenance contract; oversight and participation in SVRIA; and the purchase of replacement radios and other equipment that operate on the Silicon Valley Regional Communications System (SVRCS). This includes a one-time contribution of \$2.0 million from the General Fund in 2022-2023 for a SVRCS radio replacement. To the extent that C&C tax revenues are received above or below projected levels, the transfer from the General Fund to this program may be recommended to be reduced or increased accordingly.

PROGRAM HIGHLIGHTS

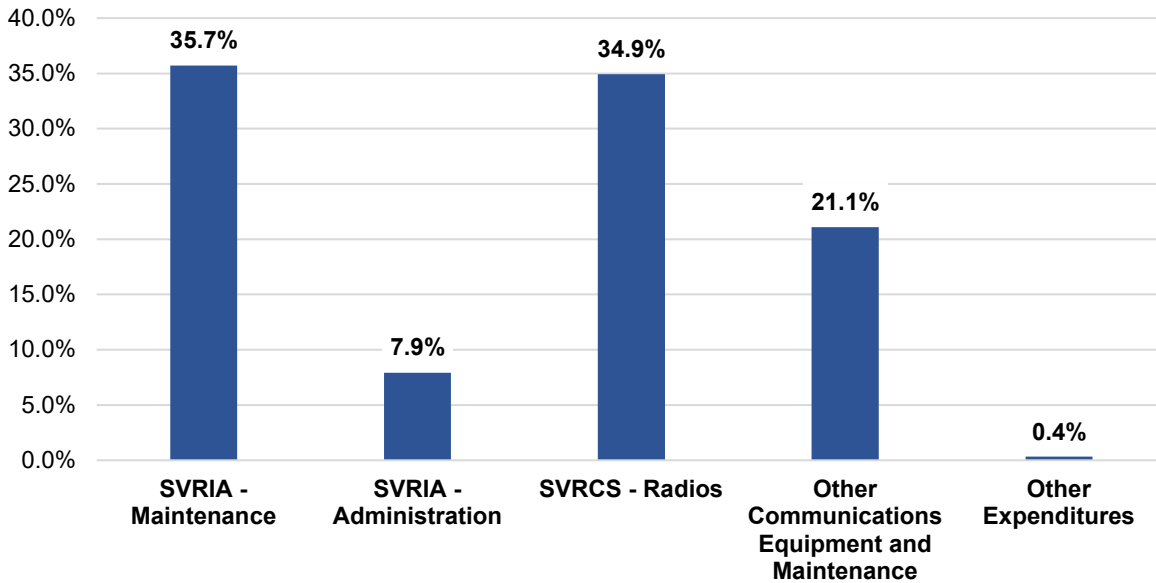
The Communications Capital Program's expenditures are organized to show the use of funds in several categories. The following highlights the major project in the program. For further information on the program's individual projects, please refer to the Detail Pages.

Communications

2023-2027 Proposed Capital Improvement Program

OVERVIEW

2023-2027 Communications Capital Program Expenditures \$21.8 million (excludes Ending Fund Balance)



Silicon Valley Regional Communications System

The SVRIA is a joint powers authority consisting of 19 member agencies, including the City of San José, whose mission is to identify, coordinate, and implement communication interoperability solutions to its member agencies by integrating voice and data communications between law enforcement, fire and rescue services, emergency medical services, and emergency management for routine operations, critical incidents, and disaster response and recovery. The SVRCS, a multistage project coordinated by SVRIA, has replaced the existing public safety radio systems currently in use in Santa Clara County with a system that uses the 700/800MHz spectrum. This allows for enhanced data transmissions, additional capacity for mutual aid scenarios and the ability to record transmissions for training purposes.

The City entered a Memorandum of Understanding (MOU) with SVRIA, as approved by the City Council on June 16, 2015, for the City's proportionate share of the infrastructure buildout for the SVRCS project. The SVRCS was completed in the summer of 2020. The Radio Division within the Public Works Department replaced all the public safety radios with SVRCS-capable radios, along with radios within other City departments that are required to communicate with public safety agencies. Police went live on the SVRCS system in mid-March 2020 and Fire went live on July 1, 2020. The City currently has 3,310 radios on the SVRCS radio system, 3,102 of which belong to Police and Fire.

Communications

2023-2027 Proposed Capital Improvement Program

OVERVIEW

PROGRAM HIGHLIGHTS

Silicon Valley Regional Communications System (Cont'd.)

In 2019-2020, Motorola announced that the SVRCS radios will have a life span shorter than the previously reported 20 years. Currently, with enhanced and evolving technology, the SVRCS radios will have a recommended life span of seven to eight years, after which replacement parts and technical support will no longer be available from Motorola for obsolete model types, thus resulting in a continuous radio replacement cycle.

In addition, in 2020-2021, Motorola announced that the APX 7000 (portable) and APX 7500 (mobile) radio models will not be serviced by the Motorola Repair Depot after their end-of-service dates. The City has taken multiple steps to begin the full replacement of the radio fleet. In 2020-2021, 65 replacement radios were purchased using available funding allocated within the Communications Capital Program. In 2021-2022, a one-time allocation of \$5.3 million allowed the City to enter a 10-year contract with Motorola totaling \$11.5 million that replaced 809 radios in the first year, 2021-2022. The agreement allows for the shipment of approximately 89 radios per year at a discounted rate beginning in August 2022 until the contract end date.

The 2023-2027 Proposed CIP includes a one-time transfer from the General Fund in the amount of \$2.0 million that will allow the City to replace an additional estimated 200 radios. With additional funding programmed for radio replacement supported through the ongoing General Fund Transfer and the C&C tax revenue, the total 2022-2023 proposed budget for radio replacement is \$4.0 million, which will allow the City to replace an estimated 429 radios. The ongoing transfer from the General Fund supports a radio replacement budget of \$900,000 in 2023-2024 and beyond. As this level is insufficient to fully replace radios that will reach their end-of-service dates, the City will need to prioritize additional funding as part of future budget cycles to ensure that core public safety needs are met. Further, the City's Public Safety departments will continue to apply for grant funds to help supplement the replacement cycle of SVRCS radios.

Communications

2023-2027 Proposed Capital Improvement Program

OVERVIEW

PROGRAM HIGHLIGHTS

Silicon Valley Regional Communications System (Cont'd.)

The chart below indicates the number of radios that will not be supported in the current and upcoming years as well as the number of radios that have already been replaced.

	APX7000 Portable July 2021	APX7500 Mobile Sept. 2022	APX7000XE/7500HP Portable/Mobile July/Dec. 2023	Grand Total
Total Radios	901	644	559	2,104
Previously Replaced Units ⁱ	665	94	115	874
Radio Replacement Need	236	550	444	1,230
Units Anticipated to be Replaced in 2022-2023 ⁱⁱ	116	38	275	429
Remaining Radio Replacement Need	120	512	169	801

In addition, the existing Legacy Radio System is nearing the end of its useful life. Replacement of this aging infrastructure will be required over the next two to four years. Initial estimates place the cost of a replacement project at approximately \$1.5 million for the non-public safety portion. Currently, the Public Works Department is in the process of hiring a consultant to create a scope and budget plan for the project, for which funding will be revisited in future CIPs.

MAJOR CHANGES FROM THE 2022-2026 ADOPTED CIP OPERATING BUDGET IMPACT

The overall size of the Communications Capital Improvement program increased by \$800,000, from \$21.4 million in the 2022-2026 Adopted CIP to \$22.2 million in the 2023-2027 Proposed CIP, primarily due to increased transfer from the General Fund for capital projects and maintenance and administrative increased costs. The following table outlines the most significant changes to project budgets, including new/augmented allocations and reduced/eliminated allocations.

Project	Increase/(Decrease)
Silicon Valley Regional Interoperability Authority - Administration	\$1.7 million

ⁱ Radio replacements are determined based on the critical needs of the departments, level of use, and availability of replacement parts.

ⁱⁱ The amount of units funded for replacement is an estimate and actual purchases in 2022-2023 may deviate due to per unit cost changes, department needs, and the manufacturer's ability to fulfill orders.

Communications

2023-2027 Proposed Capital Improvement Program

OVERVIEW

OPERATING BUDGET IMPACT

It is anticipated that there will be no additional operating and maintenance costs associated with projects included in the 2023-2027 Proposed CIP. However, as discussed above, the continued replacement of aging radio communication system equipment will need to be addressed in the next two to three years.

Communications
2023-2027 Proposed Capital Improvement Program
Source of Funds (Combined)

	Estimated						
	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	5-Year Total*
Communications Construction and Conveyance Tax Fund (397)							
Beginning Balance	1,732,799	2,327,799	1,359,799	1,264,799	1,067,799	807,799	2,327,799
Reserve for Encumbrance	67,006						
Transfers and Reimbursements							
Communications Projects - General Fund	6,950,000	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000	12,000,000
TOTAL Transfers and Reimbursements	6,950,000	4,000,000	2,000,000	2,000,000	2,000,000	2,000,000	12,000,000
Revenue from Use of Money and Property							
Interest Income	20,000	8,000	8,000	8,000	8,000	8,000	40,000
TOTAL Revenue from Use of Money and Property	20,000	8,000	8,000	8,000	8,000	8,000	40,000
Construction & Conveyance Tax							
C&C Tax Proceeds	2,040,000	1,700,000	1,530,000	1,530,000	1,530,000	1,530,000	7,820,000
TOTAL Construction & Conveyance Tax	2,040,000	1,700,000	1,530,000	1,530,000	1,530,000	1,530,000	7,820,000
Total Communications Construction and Conveyance Tax Fund (397)	10,809,805	8,035,799	4,897,799	4,802,799	4,605,799	4,345,799	22,187,799
TOTAL SOURCES	10,809,805	8,035,799	4,897,799	4,802,799	4,605,799	4,345,799	22,187,799

* The 2023-2024 through 2026-2027 Beginning Balances are excluded from in FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Communications

2023-2027 Proposed Capital Improvement Program Use of Funds (Combined)

	Estimated 2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	5-Year Total*
<u>Communications</u>							
Communications Equipment Replacement and Upgrade	183,398	100,000	100,000	100,000	100,000	100,000	500,000
Communications Maintenance	797,426	777,000	794,000	816,000	839,000	863,000	4,089,000
Silicon Valley Regional Communications System - Radios	6,004,182	4,000,000	900,000	900,000	900,000	900,000	7,600,000
Silicon Valley Regional Interoperability Authority - Administration		325,000	335,000	345,000	355,000	366,000	1,726,000
Silicon Valley Regional Interoperability Authority - Maintenance	1,472,000	1,460,000	1,490,000	1,560,000	1,590,000	1,670,000	7,770,000
General Non-Construction - Communications	8,457,006	6,662,000	3,619,000	3,721,000	3,784,000	3,899,000	21,685,000
Communications - Non Construction	8,457,006	6,662,000	3,619,000	3,721,000	3,784,000	3,899,000	21,685,000
Capital Program and Public Works Department Support Service Costs	1,000	1,000	1,000	1,000	1,000	1,000	5,000
Allocations	1,000	1,000	1,000	1,000	1,000	1,000	5,000
City Hall Debt Service Fund	4,000	5,000	5,000	5,000	5,000	5,000	25,000
Transfers to Special Funds	4,000	5,000	5,000	5,000	5,000	5,000	25,000
General Fund - Interest Income	20,000	8,000	8,000	8,000	8,000	8,000	40,000
Transfers to the General Fund	20,000	8,000	8,000	8,000	8,000	8,000	40,000
Transfers Expense	24,000	13,000	13,000	13,000	13,000	13,000	65,000
Total Expenditures	8,482,006	6,676,000	3,633,000	3,735,000	3,798,000	3,913,000	21,755,000
Ending Fund Balance	2,327,799	1,359,799	1,264,799	1,067,799	807,799	432,799	432,799
TOTAL	10,809,805	8,035,799	4,897,799	4,802,799	4,605,799	4,345,799	22,187,799

* The 2022-2023 through 2025-2026 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Communications Capital Program
2023-2027 Proposed Capital Improvement Program
Detail of Ongoing Projects

Communications Equipment Replacement and Upgrade

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Public Works	Appropriation	A4056
Description	This allocation funds the replacement and upgrade of communications equipment based upon useful life expectancy.		

	FY22 Budget	FY22 EST	FY23	FY24	FY25	FY26	FY27	5 Year Total
Expenditure Schedule (000s)								
Equipment, Materials and Supplies	183	183	100	100	100	100	100	500
Total	183	183	100	100	100	100	100	500

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	183	183	100	100	100	100	100	500
Total	183	183	100	100	100	100	100	500

Communications Maintenance

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Public Works	Appropriation	A7116
Description	This allocation funds staffing costs associated with the maintenance of communications equipment.		

	FY22 Budget	FY22 EST	FY23	FY24	FY25	FY26	FY27	5 Year Total
Expenditure Schedule (000s)								
Maintenance, Repairs, Other	760	760	777	794	816	839	863	4,089
Total	760	760	777	794	816	839	863	4,089

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	760	760	777	794	816	839	863	4,089
Total	760	760	777	794	816	839	863	4,089

Communications Capital Program
2023-2027 Proposed Capital Improvement Program
Detail of Ongoing Projects

Silicon Valley Regional Communications System - Radios

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Public Works	Appropriation	A5260
Description	This allocation funds the replacement of radio equipment for Police, Fire, and non-public safety City operations using the Silicon Valley Regional Communications System. Additional one-time funding of \$5.25 million was included in 2021-2022 Adopted Budget and another \$2.3 million is included in the 2022-2023 Proposed budget to replace SVRCS radios that have reached the end of their useful life.		

	FY22 Budget	FY22 EST	FY23	FY24	FY25	FY26	FY27	5 Year Total
Expenditure Schedule (000s)								
Equipment, Materials and Supplies	5,975	5,975	4,000	900	900	900	900	7,600
Maintenance, Repairs, Other	29	29						
Total	6,004	6,004	4,000	900	900	900	900	7,600

	FY22 Budget	FY22 EST	FY23	FY24	FY25	FY26	FY27	5 Year Total
Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	6,004	6,004	4,000	900	900	900	900	7,600
Total	6,004	6,004	4,000	900	900	900	900	7,600

Silicon Valley Regional Interoperability Authority - Administration

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Public Works	Appropriation	A5267
Description	This allocation funds the City's administrative costs for participating in the Silicon Valley Regional Interoperability Authority (SVRIA). Staffing and overhead costs are funded through this appropriation to ensure oversight and participation in SVRIA.		

	FY22 Budget	FY22 EST	FY23	FY24	FY25	FY26	FY27	5 Year Total
Expenditure Schedule (000s)								
General Administration			325	335	345	355	366	1,726
Total			325	335	345	355	366	1,726

	FY22 Budget	FY22 EST	FY23	FY24	FY25	FY26	FY27	5 Year Total
Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)			325	335	345	355	366	1,726
Total			325	335	345	355	366	1,726

Communications Capital Program
2023-2027 Proposed Capital Improvement Program
Detail of Ongoing Projects

Silicon Valley Regional Interoperability Authority - Maintenance

CSA Outcome	Effective Use of State-of-the-Art Technology	Council Districts	City-wide
Department Owner	Police	Appropriation	A7333
Description	This allocation funds contractual services to perform maintenance, monitoring, and service support for regional communications assets such as radio towers and related equipment in order to enhance the inter-agency communication between 15 separate jurisdictions' public safety agencies as part of the Silicon Valley Regional Interoperability Authority (SVRIA).		

	FY22	FY22						5 Year
	Budget	EST	FY23	FY24	FY25	FY26	FY27	Total
Expenditure Schedule (000s)								
Maintenance, Repairs, Other	1,472	1,472	1,460	1,490	1,560	1,590	1,670	7,770
Total	1,472	1,472	1,460	1,490	1,560	1,590	1,670	7,770

Funding Source Schedule (000s)								
Communications Construction and Conveyance Tax Fund (397)	1,472	1,472	1,460	1,490	1,560	1,590	1,670	7,770
Total	1,472	1,472	1,460	1,490	1,560	1,590	1,670	7,770